

BUDGET LETTER

SUBJECT: 1997-98 STATEWIDE COST ALLOCATION PLAN (SWCAP)	NUMBER: 96-20
DATE ISSUED: OCTOBER 18, 1996	
REFERENCES:	SUPERSEDES: BUDGET LETTER 95-15

TO: Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

NOTE: DEPARTMENTAL BUDGET OFFICERS, ACCOUNTING OFFICERS, AND DOF BUDGET ANALYSTS WILL RECEIVE A COPY OF THIS TRANSMITTAL LETTER WITH THE ASSESSMENTS. THE ASSESSMENTS WILL NOT BE ATTACHED FOR OTHER RECIPIENTS OF THIS BUDGET LETTER

FROM: DEPARTMENT OF FINANCE

Attached (see above note) is the **1997-98 SWCAP** assessment for departments with federal funding as calculated by the Fiscal Systems and Consulting Unit (FSCU). The attachment identifies central service functions and costs (e.g., Finance, Justice, Agency Secretaries, Controller). For those agencies without a 1997/98 SWCAP assessment, attachments will not be included with this Budget Letter.

Departments must budget, recover, and return to the General Fund a fair share of SWCAP costs from federal programs. For budget purposes, departments should ensure that SWCAP recoveries are included within the department's budgeted federal receipts. To the extent that federal fund receipts can be adjusted under applicable federal laws to reflect changes in SWCAP allocations, planning estimates for federal funds should be adjusted to reflect changes from prior levels. The Supplementary Schedule of Operating Expenses (Schedule 11) must reflect the correct 1997/98 SWCAP amount. DOF budget analysts will work with the departments to ensure that appropriate funding adjustments are made and verify that the Schedule 11 reflects appropriate SWCAP amount(s).

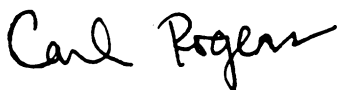
As a rough guide, a department should recover a portion of the SWCAP apportionment equal to the department's federal funding portion of the total department's state operations budget. Government Code Sections 13332.01 - 13332.02 require SWCAP recoveries to be transferred to the General Fund. Under no circumstance may a department fail to budget for appropriate SWCAP recoveries without specific approval from FSCU. Such approval will be coordinated with the appropriate DOF budget analyst.

FSCU sponsors workshops on Pro Rata, SWCAP, and Indirect Cost Rate Proposals (ICRPs), including information from the Office of Management and Budget Circular A-87. Accounting and budgeting staff in each department are encouraged to attend.

The workshops are scheduled as follows: (Location: 915 L St., DOF Main Conference Room)

- Workshop A - November 6, 1996 1:30 P.M. to 3:30 P.M.
- Workshop B - November 7, 1996 1:30 P.M. to 3:30 P.M.

To register for a workshop and discuss any questions regarding SWCAP and ICRPs, contact John Hiber at (916) 445-3434, extension 2145.



Carl Rogers
Program Budget Manager

Upcoming Budget Letters

- Section 11.00 Information Technology Contracts